

Stocks, Bonds, Mutual Funds and Employee Benefits

July 2004

Equity, debt, and employee benefits are often overlooked for unclaimed property because they may be handled by outside agents.

STOCKS

Stocks and similar ownership interest may include:

- Certificates – publicly- or privately-traded
- Mutual funds
- Dividend reinvestment plans
- Underlying shares
- Unredeemed/undelivered shares from:
 - stock dividends
 - stock splits
 - mergers
 - acquisitions
 - spin-offs
 - warrants

UNCLAIMED DIVIDENDS

Report uncashed dividend checks even when:

- the owner has cashed subsequent dividends.
- there is another form of contact with the owner.

UNDERLYING SHARES

Shares are considered underlying and abandoned after three years if there is no owner contact and at least five dividends or distributions remain uncashed. If it meets underlying shares status, the entire account, including all the uncashed dividends to date, is presumed abandoned.

MUTUAL FUNDS & DIVIDEND RETIREMENT PLANS

Report mutual funds and other property enrolled in Dividend Retirement Plans (DRPs) three years after one of the following occurs:

- the holder receives two returned mailings.
- the holder stops sending mailings.

REPORTING EQUITY ITEMS

Contact your trustee or transfer agent to see if there are unclaimed items to report. You are indemnified by the Department for reported property. Refer to the sample letter on page two.

If your company is incorporated in the state of Washington, report these items:

- Foreign address owners
- Unidentified and no address owners

DELIVERY AND SALE

Holders must cancel and reissue the abandoned ownership interest in the name of the Department of Revenue.

The Department generally sells the ownership interest after three years. We never sell mutual funds or DRPs.

Property Type	Abandoned after
Undelivered Certificate	3 years
Unredeemed Certificate	3 years
Uncashed Dividend	3 years
Underlying Share	3 years and 5 uncashed dividends

BONDS

Bonds may include:

- Debentures
- Notes
- Unregistered bonds
- Registered bonds
- Coupons
- Interest payments

Interest payments or coupons are reportable three years from the date payable to the owner. Some holders mistakenly believe that no bond monies are reportable until the issue matures.

Bond issue funds held by local governments are presumed abandoned two years after the date payable.

SAMPLE LETTER

Date

M. Agent
YOUR TRUSTED AGENT
Street Address
City, State, Zip

RE: Unclaimed Property

In order to prepare our unclaimed property report, we need to verify if you are reporting our abandoned stock, shares, or dividends due Washington residents. If you are not reporting on our behalf, please provide us with the appropriate materials for our reporting. Please check the following three types of property that need to be reported:

DIVIDENDS

Uncashed or undeliverable dividends with Washington addresses are reportable to the state of Washington as unclaimed property three years from the date of issue or payable date.

UNCLAIMED CERTIFICATES

Physical certificates for lost owners with a last known Washington address are reportable after three years.

UNDERLYING SHARES

Share accounts are presumed abandoned when:

- the owner has not communicated regarding the shares.
- the owner has not claimed any dividend, distribution, or other sum payable for three consecutive years.
- five consecutive dividends remain uncashed.

Once the shares are considered abandoned, all associated unpaid dividends and distributions are considered abandoned.

All shareholders with Washington addresses are reportable to the state of Washington as underlying shares along with all associated unpaid dividends and distributions to date.

REPORTING DEBT ITEMS

Contact your trustee or transfer agent to see if there are unclaimed items to report. You are indemnified by the Department for reported property. Refer to the sample letter below.

When the issuer is incorporated in the state of Washington, report these items:

- Unregistered or bearer bond monies
- Unidentified and no address items

Custody is not decided by where the agent or trustee is located.

EMPLOYEE BENEFITS

Employee benefits may include:

- Pension
- Medical and dental
- Department of Labor & Industries self-insurance
- Stock option
- Profit-sharing
- Deferred compensation
- Retirement

Unclaimed employee benefits are presumed abandoned three years after they become payable.

SAMPLE LETTER

Date

M. Agent
YOUR TRUSTED AGENT
Street Address
City, State, Zip

RE: Unclaimed Property

In order to prepare our unclaimed property report, we need to verify if you are reporting our unredeemed and/or deliverable interest payments payable to Washington residents prior to July 1, 2XXX (three years back). In addition, we need to determine whether there are any unclaimed matured bonds or debentures held for Washington residents. If you are not reporting on our behalf, please provide us with the appropriate materials for our reporting.

INTEREST

Unredeemed or undeliverable interest payments with Washington addresses, are reportable to the state of Washington as unclaimed property three years from the date of issue or payable date.

UNCLAIMED MATURED BONDS OR DEBENTURES

Matured bond issues are presumed abandoned after three years. Bondholders with Washington addresses are reportable to the state of Washington.

The holder is responsible for reporting unclaimed items from a self-administered plan or a plan controlled by an agent who does not report the unclaimed benefit. Refer to the sample letter at right.

SUMMARY

Stocks, bonds, and employee benefits are often overlooked by holders because they are held by agents and are not as obvious in the day-to-day operations of the organization. Usually a request letter to your agents will ensure compliance.

SAMPLE LETTER

Date

PENSION ADMINISTRATOR

Street Address

City, State, Zip

RE: ABC Pension Trust Account

In order to complete our unclaimed property reporting to the state of Washington, we need to verify if you are reporting uncashed pension checks and any undistributed funds, issued or payable prior to July 1, 2XXX, which relate to our Pension Trust. If you are not reporting on our behalf, please provide us the appropriate materials for our reporting.

Unclaimed Property Contact Information

Main phone number (*Press "0" for assistance*) (360) 705-6706

Toll Free (*Washington State only*) 1-800-435-2429

Fax (360) 586-2163

E-mail* ucp@dor.wa.gov

Mailing Address
Washington State
Department of Revenue
Unclaimed Property Section
PO Box 47489
Olympia, WA 98504-7489

* If you would like to receive e-mails from us regarding law changes, form updates, or new publications, sign up for Unclaimed Property Holder Notification Listserv. Go to <http://ucp.dor.wa.gov> and click on Join E-mail Service.



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